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SIPDIS

SENSITIVE

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SECDEF FOR OSD/ISP  
JOINT STAFF FOR DD PMA-A FOR WTC  
COMMERCE FOR BIS (GOLDMAN)  
NSC FOR CHUPA  
WINPAC FOR LIEPMAN

E.O. 12958: N/A

TAGS: [PARM](#) [PREL](#) [CWC](#)

SUBJECT: CHEMICAL WEAPONS CONVENTION (CWC): WEEKLY WRAP-UP  
FOR 5 MARCH 2004

This is CWC-30-04.

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RBB WORKSHOP  
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1. (U) Simply put, the RBB Workshop was a success. There were no objections to implementing RBB in the 2005 budget document, and the objectives of the workshop were accomplished. As summarized by the Mark Mathews (U.K.), the workshop demonstrated that 1) the OPCW has been living in "the middle ages" with regard to budget formulation, 2) the Technical Secretariat is pretty well prepared to implement the first budget based on an RBB format, and 3) RBB will allow for greater control by both the TS and States Parties. There clearly is much work ahead for both the TS and States Parties on the 2005 budget document, but all attendees gained a greater understanding of RBB and feel more comfortable with the concepts involved. The area of greatest concern focused on the development and definition of objectives and performance indicators for the organization, and there will most likely be great debate over these issues during the 2005 budget consultations.

2. (U) There were presentations made by the Director-General, Dr. Cherif (IAEA), Mr. Smith (TS consultant), and several TS programme and branch Directors. There were three main objectives to the workshop: 1) provide a clear understanding of the RBB concept(s), 2) report on the current state of play within the TS in the process of developing an RBB for 2005, and 3) address the key concerns raised by States Parties.

3. (U) The message was driven home that RBB allows for greater accountability and transparency for an organizations management and member States. The RBB format is a tool used by management to assist with more efficient and effective use of resources. One important aspect of RBB that was highlighted is the assessment and evaluation of the previous year's assumptions (objectives, performance indicators, targets, and the level of resources). The lessons learned from this assessment are then used to develop the next year's budget document. The OPCW is behind most similar organizations in its budget formulation. Most UN and other IO's have moved to using an RBB format.

4. (U) The TS has been working for more than the last ten months with the consultant, Mr. Smith, to develop the 2005 budget document in RBB format. During March/April, the TS will be finalizing the draft of the 2005 budget. The draft will be circulated to States Parties in May, allowing six months for review of the document before a decision is taken at the 9th Conference of States Parties (Nov. 29 - Dec. 3). Even though an RBB format will start in 2005, full implementation utilizing the assessment and evaluation methodology will not be reached for 3-6 years, and there will always be room for improvement from the lessons learned from that exercise.

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BUDGET ISSUES - MEETING WITH DDG HAWTIN  
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5. (U) Members of the delegations from the U.S., FRG, U.K., Japan, France and Italy asked to meet with Deputy DG Hawtin on March 4 to discuss a number of budget and administrative issues which had been raised last year with the DG and DDG and remain unresolved. Hawtin began the discussion by ticking off the areas in which savings are anticipated in 2004:

-- On insurance, new TS policies will yield savings of some 300,000 Euros.

-- On training, there would be savings of some 400,000 Euros.

-- Implementation of the on-call inspector arrangement also would generate savings. Three possessor states have agreed to the proposal, and India has said it will not participate, but will not object, to the program. Hawtin said the initial goal is to recruit ten on-call inspectors. For 2004, which will be a trial year, some 150,000-200,000 Euros could be saved, with a possible 400,000 Euros next year.

16. (U) Hawtin told the delegates that the plan is for a zero real growth budget for 2005. As part of that exercise, managers had been asked what adjustments they would make with either an increase or reduction of two per cent in 2005. On the question raised by the delegates of the level of industry inspections, Hawtin stated that the DG agrees that OCPF inspections are currently too low. However, it is not clear if there is a consensus on what the "proper" figure should be. Verification director Reeps said that there should be more than 150 Article VI inspections, but what is not clear is how those inspections should be distributed.

17. (U) Hawtin then made the pitch to the delegates that while the TS appreciates the interest of member states in savings and efficiencies in key budget areas, another way to garner efficiencies is to give the DG more freedom to make decisions to pursue efficiencies. Finally, the DDG noted that an effective way for this group of delegates to make their views known would be for it to meet with the External Auditors when they visit to the Hague to discuss the issue of "value for money" audits. The group noted that there were still a number of issues that remain unresolved (travel, home leave, etc.) and the current plan is to meet again with DDG Hawtin on March 30.

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AMENDMENTS TO THE FINANCIAL REGULATIONS  
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18. (U) Facilitator Peter van Brakel (Canada) began with Regulation 12.1 and the discussion over this amendment lasted the entire consultation. There will probably be another round of consultations scheduled for the week of March 15, but a decision soon is looking less likely. Office of Internal Oversight director Louati attended the consultations, and Del asked him to describe the difference between the proposed definition of monitoring and the definition of audits of "effectiveness" under Regulation 12.2. Louati's response was that there is not much of a difference.

19. (U) Louati stressed that the primary role of monitoring lies with managers and the implementation of RBB will assist them with this. The OIO's role in monitoring will be: 1) to develop standard criteria (guidelines) for all managers to develop their own monitoring programs; and 2) to request progress reports on programme implementation, as defined for their program in the RBB, from the managers on a periodic basis. The OIO will play the role of a check and balance to compare the progress reported by the managers and the results expressed in the budget and to ensure the accuracy of the information provided by managers.

10. (U) When asked if he would be open to other proposals for amendments, van Brakel responded affirmatively. After the consultation, TDYer Lisa Benthien provided the facilitator with the minor editorial changes to 6.2 and 6.3. Benthien mentioned some of the other regulations that the U.S. had in mind for amendments. Van Brakel suggested that we provide a non-paper for distribution at the next consultation on exactly which ones the U.S. proposed to amend, with perhaps some background for the changes, or the rationale for the proposals, included in the paper. Benthien promised to work on getting that to the facilitator.

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UNIVERSALITY  
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11. (U) Del reps met with Huang Yu, Director of the External Relations Division (ERD), and Ioan Tudor, Chief of the Government Relations and Political Affairs Branch in ERD, to discuss TS activities and to pass them a paper on U.S. activities undertaken in support of the universality action plan. Huang thanked Washington for its efforts and expressed his appreciation for the U.S. paper. Huang reported that he called the March 8 universality meeting to distribute to delegations copies of three TS papers requested in the action plan. One paper will report that there are nine States Parties who have nominated a POC.

12. (U) Huang stressed the importance of the upcoming universality meetings in Malta and Addis Ababa and asked the U.S. to send representatives (the more senior the better). He encouraged the U.S. to use any means available to persuade Arab States Not Party of greatest concern to attend the Middle East Regional Workshop in Malta (May 5-7), adding that

he fears that Arab nations generally will not be willing to attend sessions with Israel. Del reps suggested that perhaps the TS might consider running parallel sessions, thus permitting those unwilling to meet in a room with Israeli representatives to actively participate.

113. (U) Del reps also discussed the communications problem between the TS and capitals/missions of States Not Party. Huang is well aware of the issue and added examples of his own. Another element contributing to poor communications is that the missions of non-States Party in Brussels (or The Hague or London) are generally small, and the officers responsible for OPCW-related matters cover a multitude of other topics. The CWC frequently does not make the cut. Del reps suggested that perhaps issuing information to representatives in capitals via e-mail might help. Huang welcomed the idea, although he noted that even if the TS had e-mail addresses for representatives in capitals, the recipients were unlikely to be able to open large documents or those with large attachments. Del reps suggested that e-mailing the contacts in capitals to alert them to upcoming meetings, seminars, and workshops and to advise them to ask their missions in Brussels or the U.K. for more details.

114. (U) Huang reported that the TS is planning bilateral visits to capitals of States Not Party in the African regional group and invited the U.S. send a representative on those trips. Huang also asked if the U.S. might be able to sponsor some of the participants to the fall 2004 Caribbean regional workshop, and Del reps agreed to relay the request to Washington. Finally, Huang requested that the U.S. consider how it might approach North Korea, and told Del reps that the TS is also requesting other States Parties to try to influence North Korea regarding CWC accession. In particular, Huang would like to encourage North Korea to send representatives to the Asian regional workshop in Beijing to better educate Pyongyang about the CWC and the advantages of membership.

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TENURE IMPLEMENTATION - TRANSITION SUPPORT PAPER  
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115. (SBU) On March 3, Eva Murray, head of Human Resources, provided Del with a copy of a draft paper which proposes measures to assist OPCW staff as the tenure policy is implemented. Murray provided the draft paper to a few delegations for comment and we have sent it electronically to AC/CB. The list of proposals include establishment of focal points within the HR Branch to provide assistance to those selected for separation from the OPCW. A transition support package would also be offered that would assist in finding new employment. The final provision is providing staff an option for voluntary non-renewal at the expiration of their contracts.

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EC EFFICIENCY  
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116. (SBU) On March 5, EC Chairman Kubernat held his second meeting on proposals to make Executive Council sessions more efficient. Once again, however, the discussion became bogged down, and was even more inefficient than the first session. The participants only managed to discuss the proposal on regular updating of the plan of activities prepared in cooperation with the TS, with a slight detour into some U.K. proposals in a "food for thought" paper. Informally, however, the TS has indicated that it will proceed with a number of the Chairman's proposals which do not require any change in procedures necessitating approval from member states. Some of these, such as early distribution of the annotated agenda and documents for consideration at upcoming ECs, have already been implemented.

117. (U) Ito sends.

SOBEL